

018109
Q 35776



92 15 0748

Form 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended March 31, 1992
Commission File No. 2-97297

State First Financial Corporation

(Exact name of Registrant as specified in its charter)

Arkansas 71-0598867

(State of incorporation) (IRS Employer Identification Number)

300 Olive Street, State Line Plaza,
Texarkana, Arkansas 75502

(Address of principal executive offices) (Zip Code)

(501) 773-4541

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

As of April 30, 1992, the Registrant had outstanding 1,158,439 shares of its \$10 par value common stock, Registrant's only class of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Location in Form 10-Q

Part I - Financial Information

Incorporated Documents

Pages 3-9 inclusive of
Registrant's 1992 First
Quarter Report

BEST COPY
AVAILABLE

PROCESSED BY

25-4-V

MAY 22 1992

Microfilmed by
Q-Data Corp. - St. Petersburg, FL



0
92-2248

Part I - Financial Information

The following unaudited consolidated financial statements, including management's discussion and analysis of financial condition and results of operations set forth on pages 3 through 9 inclusive of the First Quarter 1992 Stockholders' Report as of and for the three months ended March 31, 1992 are incorporated herein by reference.

	<u>Page</u>
Consolidated Balance Sheets -- March 31, 1992, December 31, 1991 and March 31, 1991	3
Consolidated Statements of Income -- Three months ended March 31, 1992 and 1991	4
Consolidated Statements of Stockholders' Equity -- Three months ended March 31, 1992 and 1991	5
Consolidated Statements of Cash Flows -- Three months ended March 31, 1992 and 1991	6
Notes to Consolidated Financial Statements	7
Management's Discussion and Analysis of Financial Condition and Results of Operations	8-9

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K	2
Signatures	3

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

No reports on Form 8-K have been filed with the Securities and Exchange Commission during the quarter ended March 31, 1992. The Exhibit filed as part of this report is listed below.

Exhibit No.

1

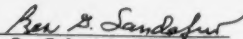
Description

Quarterly Report to Shareholders-
Quarter Ended March 31, 1992 *

* Found on page 4 of this report

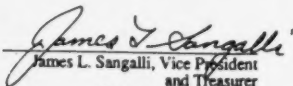
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.



Ben G. Sandefur, Chairman and
Chief Executive Officer
(Duly Authorized Officer)

Date: May 5, 1992



James L. Sangalli, Vice President
and Treasurer
(Chief Financial Officer)

Exhibit 1
Quarterly Report to Shareholders
March 31, 1992

First Quarter 1992



State First Financial Corporation

Table of Contents

State First Financial Corporation Directors & Officers	1
Chairman's Letter	2
Consolidated Balance Sheets	3
Consolidated Statements of Income	4
Consolidated Statements of Stockholders' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Management's Discussion and Analysis of Financial Condition and Results of Operations	8-9
The State First National Bank of Texarkana Officers	10
The State First National Bank of Texarkana Condensed Financial Information and Directors	11
American National Bank of Texarkana Directors & Officers	12
American National Bank of Texarkana Condensed Financial Information	13
First National Bank in Ashdown Directors & Officers	14
First National Bank in Ashdown Condensed Financial Information	15
Atlanta National Bank Directors & Officers	16
Atlanta National Bank Condensed Financial Information	17

State First Financial Corporation Directors & Officers

Directors

Truman Arnold
Chairman of the Board,
The Arnold Companies, Inc.

Harvey Ashford
Investments

Mrs. T.A. Clark, Jr.
Investments

James G. Collins
Investments

George W. Crank
Investments

Bill I. Crutchfield
Chairman of the Board,
American National Bank

Jerry L. Day
Day Farms

Harold M. Dodds, Jr.
Investments

Paul Hardy
Investments

Earl M. Jones
Investments

Frederick E. Joyce, M.D.
President,
Chappell-Joyce Pathology Association

Edward Miller
Attorney

Henry Moore, III
Investments

Gloria J. Moores
Secretary to the Board
Retired Executive Vice President

Herbert L. Murray
President,
Murray, Thomas and Griffin, Inc.

Carl M. Nelson
President,
Texarkana College

Howard M. Qualls
President

Ben G. Sandefur
Chairman of the Board

Officers

Ben G. Sandefur
Chairman of the Board

Howard M. Qualls
President

Bill I. Crutchfield
Vice Chairman of the Board

Douglas E. Barber
Vice President, Investments

M. Jo Herring
Vice President, Human Resources

Dennis P. Landreaux
Vice President & Director of Marketing

Nancy J. Rankin
Vice President & Director of
Auditing & Compliance

James L. Sangalli
Vice President & Treasurer

Lynda A. Williams
Vice President, Operations

Laurie Y. Burgess
Loan Review Officer

Billy W. Pike, CICO
Compliance Officer

Subsidiaries

The State First National Bank of Texarkana

American National Bank of Texarkana

First National Bank in Ashdown

Atlanta National Bank

Commercial Investment Company

Chairman's Letter

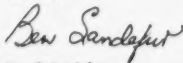
In my address to the shareholders of State First Financial Corporation at the annual stockholders meeting, I set out some goals that we expect to accomplish over the next five-year period. These goals are simple, straightforward and aggressive. By the end of the year 1997, State First Financial Corporation will have grown to exceed \$1,000,000,000 in total assets and will earn at least \$10,000,000 in net profits. We will accomplish this growth through a combination of internal growth and acquisitions. We have already taken several steps to help us accomplish these goals. First, I have moved my office from the first floor lobby to a new office on the fourth floor of our main office. This move will allow me to spend much more of my time evaluating possible growth opportunities. The President & CEO of our lead bank, Howard M. Qualls, has completed his move into my former office. I am also pleased to announce that Lloyd C. Champion, Jr. has moved from American National Bank to assume his new duties as Executive Vice President of State First National Bank. Lloyd's new responsibilities will include the management of the credit function at State First National Bank. Lloyd's new office will be on the lobby floor and is the office formerly occupied by Howard. I would like to invite each one of you to drop by and visit us in our new offices.

The second step toward accomplishing our goals occurred on March 27, when State First National Bank acquired a new branch in Hope, Arkansas. State First National Bank was the successful bidder on the branch, which was owned by Home Federal Savings Association of Kansas City. The branch was officially closed by the Resolution Trust Corporation (RTC) on Friday, March 27, and reopened for business on Monday, March 30 as the newest branch of State First National Bank. Our new branch has in excess of \$20,000,000 in deposits, and we are extremely pleased to be a competitor in the Hope-Hempstead County marketplace.

State First Financial Corporation had excellent operating results in the first quarter of 1992. Our growth, which was fueled in part by our new acquisition in Hope, was particularly impressive. Our total assets increased \$44,973,000 and ended the first quarter at \$625,758,000. This represents an increase of 7.74% in total assets. Our total deposits increased \$41,067,000 and stood at \$563,453,000 on March 31, 1992. This is an increase of 7.86% over last year's results. Net income for the first quarter is an equally impressive \$1,526,000 which represents an increase of \$203,000, or 15.34%, over last year's results. Your total stockholders' equity ended the first quarter at \$58,310,000, up from \$54,666,000 in March 1991.

I am very optimistic about 1992 and the economy of Texarkana and the surrounding area. There have been many positive developments in our local economic picture - Interstate 49 and the recently announced Texas state prison in New Boston, just to name a few. Construction will begin this spring on a new \$130 million hospital facility for St. Michael Hospital. The economic recession of the past year has proved very difficult for some parts of the country, but Texarkana and the surrounding area have weathered it very well. We are poised, in good position, to move forward in the coming economic recovery. I fully expect 1992 to be an excellent year for State First Financial Corporation. We will continue to provide quality financial services to our present customer base. We will not forget that it is the confidence that our present customers have placed in us that has made us what we are today. At the same time, we will be aggressively seeking new customers in new markets. It is these customers that will help us to accomplish our growth and income goals over the next five years. We would like to have the opportunity to prove to our new customers that State First Financial Corporation is truly a place "where futures begin."

Sincerely,



Ben G. Sandefur
Chairman of the Board

Consolidated Balance Sheets

State First Financial Corporation and Subsidiaries
(Dollars in Thousands)
(Unaudited)

	March 31, 1992	March 31, 1991	December 31, 1991
Assets			
Cash and due from banks	\$ 34,536	30,582	33,167
Interest bearing deposits in banks	200	500	200
Investment securities (note 2)	258,360	214,602	239,787
Federal funds sold and securities purchased under agreements to resell	40,499	39,211	34,381
Loans, total	283,725	291,681	288,637
Unearned discount	(9,454)	(13,479)	(10,459)
Allowance for loan losses (note 3)	(5,352)	(4,401)	(4,966)
Loans, net	268,919	273,801	273,212
Bank premises and equipment, net	9,723	8,062	9,590
Accrued income and other assets	13,521	14,027	13,632
Total assets	\$ 625,758	580,785	603,969
Liabilities and Stockholders' Equity			
Deposits:			
Non-interest bearing	\$ 62,438	69,774	65,447
Interest bearing	501,015	452,612	477,380
Total deposits	563,453	522,386	542,827
Accrued expenses and other liabilities	3,457	3,240	3,484
Minority interest in subsidiary	538	493	527
Total liabilities	567,448	526,119	546,838
Stockholders' equity:			
Common Stock, par value of \$10 per share.			
Authorized 5,000,000 shares,			
Issued 1,171,000 shares	11,710	11,710	11,710
Surplus	10,096	10,096	10,096
Retained earnings	37,057	33,081	35,878
Treasury stock, at cost, 12,561 shares in 1992, 5,036 shares at March 31, 1991, and 12,561 shares at December 31, 1991	(553)	(221)	(553)
Total stockholders' equity	58,310	54,666	57,131
Total liabilities and stockholders' equity	\$ 625,758	580,785	603,969

See notes to consolidated financial statements.

Consolidated Statements of Income

State First Financial Corporation and Subsidiaries
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
Interest income:		
Interest and fees on loans	\$ 6,878	7,714
Interest on investment securities:		
Taxable securities	3,467	3,552
Tax-exempt securities	817	587
Interest on Federal funds sold and securities purchased under agreements to resell	357	651
Interest on deposits in banks	2	13
Total interest income	11,521	12,517
Interest expense:		
Interest on deposits	5,715	7,167
Interest on Federal funds purchased and securities sold under agreements to repurchase	—	3
Total interest expense	5,715	7,170
Net interest income	5,806	5,347
Provision for loan losses (note 3)	433	452
Net interest income after provision for loan losses	5,373	4,895
Non-interest income:		
Service charges on deposit accounts	503	410
Trust income	205	204
Gains (losses) on securities transactions	(90)	2
Other income	595	628
Total non-interest income	1,213	1,244
Non-interest expense:		
Salaries and employee benefits	2,307	2,180
Net occupancy expense	255	241
Furniture and equipment expense	188	198
Other expense	1,991	1,847
Total non-interest expense	4,741	4,466
Income before income taxes	1,845	1,673
Income tax expense	319	350
Net income	\$ 1,526	1,323
Net income per share	\$ 1.32	1.13
Weighted average shares	1,158,439	1,166,363
Dividends per share	\$ 0.30	0.30

See notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

State First Financial Corporation and Subsidiaries
(Dollars in Thousands)
(Unaudited)

	Common stock	Surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balances, December 31, 1990	\$ 11,710	10,096	32,108	(196)	53,718
Net income			1,323		1,323
Cash dividends			(350)		(350)
Purchase of treasury stock				(25)	(25)
Balances, March 31, 1991	<u>11,710</u>	<u>10,096</u>	<u>33,081</u>	<u>(221)</u>	<u>54,666</u>
Net income			4,187		4,187
Cash dividends			(1,390)		(1,390)
Purchase of treasury stock				(332)	(332)
Balances, December 31, 1991	<u>11,710</u>	<u>10,096</u>	<u>35,878</u>	<u>(553)</u>	<u>57,131</u>
Net income			1,526		1,526
Cash dividends			(347)		(347)
Balances, March 31, 1992	<u>\$ 11,710</u>	<u>10,096</u>	<u>37,057</u>	<u>(553)</u>	<u>58,310</u>

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

State First Financial Corporation and Subsidiaries

(Dollars in Thousands)

(Unaudited)

	Three months ended March 31,	
	1992	1991
Cash flows from operating activities:		
Net income	\$ 1,526	1,323
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	159	176
Provision for loan loss	433	452
Minority interest in subsidiary	22	16
Loss (gain) on sale of securities	90	(2)
Net discount accretion (premium amortization) on investments	237	1
Decrease (increase) in interest receivable and other assets	(9)	(500)
Increase (decrease) in accrued expenses and other liabilities	(248)	284
Net cash provided by operating activities	2,210	1,750
Cash flows from investing activities:		
Proceeds from maturities of interest bearing deposits in banks	—	600
Purchase of interest bearing deposits in banks	—	(300)
Net decrease (increase) in federal funds sold and securities purchased under agreements to resell	(6,118)	6,015
Maturities of investment securities	26,933	22,046
Sales of investment securities	1,675	5,699
Purchase of investment securities	(47,508)	(40,415)
Net decrease (increase) in loans	3,762	160
Purchase of bank premises and equipment	(283)	(42)
Proceeds from sale of other real estate	419	414
Net cash provided (used) in investing activities	(21,120)	(5,823)
Cash flows from financing activities:		
Net increase (decrease) in non-interest bearing deposits	(3,009)	1,045
Net increase (decrease) in interest bearing deposits	23,635	6,509
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase	—	(300)
Treasury stock purchased	—	(25)
Dividends paid	(347)	(350)
Net cash provided (used) in financing activities	20,279	6,879
Net increase (decrease) in cash and cash equivalents	1,369	2,806
Cash and cash equivalents at the beginning of the year	33,167	27,776
Cash and cash equivalents at end of the period	\$ 34,536	30,582
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 5,858	7,272
Income taxes	—	125

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

State First Financial Corporation and Subsidiaries
(Unaudited)

(1) Accounting and Reporting Policies

The accounting and reporting policies of State First Financial Corporation and Subsidiaries ("the Company") conform to generally accepted accounting principles. The consolidated financial statements include the accounts of State First Financial Corporation ("the Parent") and all subsidiaries, which are The State First National Bank of Texarkana, American National Bank of Texarkana, First National Bank in Ashdown, Atlanta National Bank and Commercial Investment Company. All significant intercompany accounts and transactions have been eliminated.

The significant accounting policies followed in the preparation of the consolidated financial statements are the same as disclosed in the 1991 Annual Report. Reference is made to the Annual Report for additional accounting and reporting policies disclosure.

(2) Investment Securities

(Dollars in Thousands)

	March 31, 1992	March 31, 1991	December 31, 1991
U.S. Treasury securities	\$ 64,229	70,780	66,231
U.S. Government agency obligations ..	122,630	98,569	106,747
Obligations of states and political subdivisions	61,928	33,243	56,725
Other securities ..	9,573	12,010	10,084
	<u>\$ 258,360</u>	<u>214,602</u>	<u>239,787</u>

(3) Allowance for Loan Losses

A summary of changes in the allowance for loan losses follows (dollars in thousands):

	Three months ended	
	March 31, 1992	March 31, 1991
Balance, beginning of period	\$ 4,966	4,254
Provision for loan losses	433	452
	<u>5,399</u>	<u>4,706</u>
Loans charged-off	(238)	(521)
Recoveries, previously charged-off	191	216
Net charge-offs	<u>(47)</u>	<u>(305)</u>
Balance, end of period	<u>\$ 5,352</u>	<u>4,401</u>

Nonaccrual loans totaled approximately \$2,028,000 at March 31, 1992 compared to approximately \$3,467,000 at March 31, 1991.

Management's Discussion and Analysis of Financial Condition and Results of Operations

State First Financial Corporation and Subsidiaries (Unaudited)

Performance Summary

Net income for the first three months of 1992 was \$1,526,000, an increase of \$203,000 or 15.34% over the same period in 1991. Return on average assets for the first three months of 1992 was 1.02% compared to 0.93% for the first three months of 1991. Return on average stockholders' equity for the first three months of 1992 was 10.63% compared to 9.87% for the first three months of 1991.

The primary components of income and expense which affect earnings are net interest income, provision for loan losses, non-interest income and non-interest expense. The significant changes in these components are further described in the following discussion.

Net Interest Income

Net interest income for 1992 increased primarily as a result of a 20.29% decrease in interest expense. For the first three months of 1992, interest income decreased \$996,000 or 7.96% (\$881,000 or 6.87% on a tax equivalent basis) and interest expense decreased \$1,455,000 or 20.29% from the same period in 1991, resulting in a net interest income increase of \$459,000 or 8.58% (\$574,000 or 10.14% on a tax equivalent basis).

Interest Income and Earning Assets

Average interest earning assets have increased over the same period in 1991 while yields decreased. For the first three months of 1992, interest income decreased \$996,000 or 7.96% (\$881,000 or 6.87% on a tax equivalent basis).

A decrease of 2.36% in average loans and a decrease of 1.08% in yields has resulted in a decrease in interest income from loans. Interest income from loans for the first three months of 1992 decreased \$836,000 or 10.84% from the same period in 1991.

Total average investments have increased 17.31% over the same period in 1991 with average taxable investments increasing 7.33% and average non-taxable investments increasing 75.35%. Interest income from investments for the first three months of 1992 increased \$145,000 or 3.50% (\$263,000 or 5.92% on a tax equivalent basis) over the same period in 1991.

Interest income from Federal funds sold and securities purchased under agreements to resell for the first three months of 1992 decreased \$294,000 or 45.16% from the same period in 1991 due to a decrease of 15.65% in average balances and a 2.36% decrease in yields.

Interest on deposits in banks for the first three months of 1992 decreased by \$11,000 or 84.62 from the same period in 1991 due to a decrease in average balances and declining yields.

Interest Expense and Related Liabilities

Average interest bearing liabilities have increased 6.10% over the same period in 1991, but rates have decreased. For the first three months of 1992, interest expense decreased \$1,455,000 or 20.29% from the same period in 1991 due to this decrease in rates.

Interest on deposits for the first three months of 1992 decreased \$1,452,000 or 20.26% from the same period in 1991 due to a 1.66% decrease in rates partially offset by a 6.14% increase in average balances.

Interest on Federal funds purchased and securities sold under agreements to repurchase for the first three months of 1992 decreased \$3,000 or 100.00% from the same period in 1991 due to a 100.00% decrease in average balances.

Provision for Loan Losses

Provision for loan losses for the first three months of 1992 of \$433,000 is a \$19,000 decrease from the first three months of 1991. Net charge-offs on loans were \$47,000 for the first three months of 1992 and \$305,000 for the same period in 1991. Net charge-offs were not significantly related to any particular industry.

The allowance for loan losses as a percent of loans less unearned discount was 1.95% on March 31, 1992, 1.58% on March 31, 1991 and 1.79% on December 31, 1991.

Management's Discussion and Analysis of Financial Condition and Results of Operations

State First Financial Corporation and Subsidiaries (Unaudited)

Non-Interest Income

Non-interest income for the first three months of 1992 was \$1,213,000, a 2.49% decrease from the same period in 1991. Service charges on deposit accounts increased \$93,000, trust income increased \$1,000, gains on securities transactions decreased \$92,000 and other income decreased \$33,000.

Non-Interest Expense

Non-interest expense for the first three months of 1992 was \$4,741,000, a 6.16% increase over the same period in 1991. Salaries increased \$83,000 and employee benefits increased \$44,000. Net occupancy expense increased \$14,000. Furniture and equipment expense decreased \$10,000, and other expense increased \$144,000.

Liquidity

The purpose of liquidity is to satisfy the cash flow requirements of depositors and borrowers and to take advantage of investment opportunities as they arise, while avoiding large unfavorable fluctuations in maturities and rates. Liquidity is provided primarily by short-term investments and maturing investment securities and loans.

Liquid assets include U.S. government and Federal agency securities, Federal funds sold and securities purchased under agreements to resell, and interest bearing deposits in banks. Shown below are the market values of these investments (dollars in thousands):

	March 31, 1992	March 31, 1991	December 31, 1991
U.S. government and Federal agency securities . . .	\$ 189,459	170,303	178,429
Federal funds sold and securities purchased under agreements to resell	40,499	39,211	34,381
Interest bearing deposits in banks	200	500	200

Investment securities and loans, excluding installments, with maturities of one year or less at the end of the current quarter and the last fiscal year are as follows (dollars in thousands):

	March 31, 1992		December 31, 1991	
	Amount	Percent of total	Amount	Percent of total
Investment securities	\$ 64,675	25.03%	\$ 68,419	28.53%
Loans (excluding installments)	103,652	46.31%	87,473	39.52%

Liquidity continues to provide adequate funds to meet current operating needs and future commitments.

Capital Resources

The ratio of stockholders' equity to assets was 9.32% on March 31, 1992 and 9.46% on December 31, 1991. The ratio of primary capital (stockholders' equity plus allowance for loan losses plus minority interest in consolidated subsidiaries) to assets plus allowance for loan losses was 10.17% on March 31, 1992 and 10.28% on December 31, 1991.

Income Taxes

For the first three months of 1992, income taxes decreased \$31,000 from the same period in 1991 due to a decrease in taxable income.

The State First National Bank of Texarkana Officers

Ben G. Sandefur
Chairman of the Board

Nancy A. Harris
Administrative Assistant to the Chairman

Howard M. Qualls
President

Barbara Garrett
Administrative Assistant to the President

Lloyd C. Champion, Jr.
Executive Vice President

Senior Vice Presidents

Douglas E. Barber

Shirley C. Clark

J. Michael Cross

M. Jo Herring

Deborah R. Moore

James L. Sangalli, Cashier

M. Jeff Shirley, Jr.

Lynda A. Williams

Vice Presidents

S.D. Dickens

E. Lucille Hawkins

Melba J. Middleton

Joe D. Nichols

Robert M. Sanderson

Jerry W. Turney

R. Tim White

Assistant Vice Presidents

Joe E. Anderson

Laurie Y. Burgess

Hayden M. Coe, Jr.

John L. Dalby

Michael E. Falls

Nelda Grant

Tina R. Green

James M. Handy

Gayle Logan

Al Penton, III, Security Officer

Barbara A. Powell

Larue Prewitt

Shirley A. Sharp

Alice M. Snyder

Richard A. Threet

E. Maurine Towns

Edna F. Wilson

Banking Officers

Nan Carol Adkins

Operations Officer

Judith A. Hill

Branch Officer

Kay McConkey

Credit Card Officer

Linda J. McGregor

Branch Officer

Mary Ann Norton

Loan Administration Officer

Mark R. Reavis

Consumer Loan Officer

Sydney S. Westbrook

Accounting Officer

B. Sallye Young

Operations Officer

Controller

David Chas. Adams, CPA

Vice President

Marketing Department

Dennis P. Landreaux

Senior Vice President & Director of Marketing

Sharon S. Crumpton

Marketing Officer

Auditing & Compliance Department

Nancy J. Rankin

Senior Vice President & Director of

Auditing & Compliance

Sharon Pace, CBA

Assistant Vice President & Auditor

Billy W. Pike, CBCO

Vice President & Compliance Officer

Trust Division

Gregory S. Torrance, CTFA

Senior Vice President & Trust Officer

James Pat Bell

Brenda S. Shirley

Vice Presidents & Trust Officers

Elizabeth G. Anthony

Trust Officer

Albert A. Melde, Jr.

Diane M. Youngblood

Assistant Trust Officers

Condensed Financial Information and Directors*

The State First National Bank of Texarkana
(Dollars in Thousands)
(Unaudited)

Condensed Balance Sheets

	March 31, 1992	March 31, 1991
Assets		
Cash and due from banks	\$ 31,151	27,796
Investment securities	164,504	135,260
Federal funds sold	33,374	22,461
Loans, net	177,175	183,125
Other assets	13,158	12,779
Total assets	\$ 419,362	381,421
Liabilities and Stockholders' Equity		
Deposits	\$ 378,977	342,864
Other liabilities	2,145	1,943
Total liabilities	381,122	344,807
Stockholders' equity	38,240	36,614
Total liabilities and stockholders' equity	\$ 419,362	381,421

Condensed Statements of Income

Interest income	\$ 7,317	8,124
Interest expense	3,631	4,549
Net interest income	3,686	3,575
Provision for loan losses	309	307
Non-interest income	1,123	1,069
Non-interest expense	3,305	3,237
Income tax expense	223	245
Net income	\$ 972	855

*Balances have not been reduced for intercompany activity.

Directors

Truman Arnold
Chairman of the Board,
The Arnold Companies, Inc.

Harvey Ashford
Investments

Lloyd C. Champion, Jr.
Executive Vice President

Mrs. T.A. Clark, Jr.
Investments

James G. Collins
Investments

George W. Crank
Investments

Bill I. Crutchfield
Chairman of the Board,
American National Bank

Jerry L. Day
Day Farms

Harold M. Dodds, Jr.
Investments

Paul Hardy
Investments

Earl M. Jones
Investments

Frederick E. Joyce, M.D.
President,
Chappell-Joyce Pathology Association

Edward Miller
Attorney

Henry Moore, III
Investments

Gloria J. Moores
Secretary to the Board
Retired Executive Vice President

Herbert L. Murray
President,
Murray, Thomas and Griffin, Inc.

Carl M. Nelson
President,
Texarkana College

Howard M. Qualls
President

Ben G. Sandefur
Chairman of the Board

American National Bank of Texarkana Directors & Officers

Directors

Bill I. Crutchfield
President & Chairman of the Board

Harold M. Dodds, III
President,
Texarkana Concrete Products, Inc.

James A. Duffer
Owner,
New Boston Concrete

Murray L. James
Chairman of the Board,
M. L. James Construction Co.

Worth L. Matteson, III
Owner,
Matteson Farms

Herbert L. Murray
President,
Murray, Thomas and Griffin, Inc.

Howard M. Qualls
President,
State First Financial Corporation

Ben G. Sandefur
Chairman of the Board,
State First Financial Corporation

C. Jack Smith, M.D.
Physician,
Colom & Carney Clinic

Officers

Bill I. Crutchfield
President & Chairman of the Board

Jane E. Walton
Assistant Vice President &
Administrative Assistant to the Chairman

Marcy Bunn
Assistant Vice President &
Administrative Assistant to the President

Rick L. Wisdom
Executive Vice President

Lana Rehkopf
Senior Vice President & Cashier

Jay W. Cowan
Vice President

Burney Jones, Jr.
Vice President & Security Officer

Jerry Buffington
Assistant Vice President

Debbie Flowers
Assistant Vice President

Flora Jenkins
Assistant Vice President

Priscilla Thompson
Assistant Vice President

Vicki Aulds
Loan Administration Officer

Kenneth Early
Loan Review Officer

George Merrill
Loan Officer

Condensed Financial Information*

American National Bank of Texarkana

(Dollars in Thousands)

(Unaudited)

	March 31, 1992	March 31, 1991
Condensed Balance Sheets		
Assets		
Cash and due from banks	\$ 7,264	4,669
Investment securities	40,369	36,423
Federal funds sold	3,600	6,600
Loans, net	43,293	39,072
Other assets	4,335	3,125
Total assets	\$ 98,861	89,889
Liabilities and Stockholders' Equity		
Deposits	\$ 89,478	81,376
Other liabilities	848	606
Total liabilities	90,326	81,982
Stockholders' equity	8,535	7,907
Total liabilities and stockholders' equity	\$ 98,861	89,889
Condensed Statements of Income		
Interest income	\$ 1,897	1,945
Interest expense	939	1,164
Net interest income	958	781
Provision for loan losses	33	60
Non-interest income	117	106
Non-interest expense	703	552
Income tax expense	80	47
Net income	\$ 259	228

*Balances have not been reduced for intercompany activity.

First National Bank in Ashdown Directors & Officers

Directors

Ray Bell
President

Duke Douglas, D.D.S.
Dentist

H.H. Kaufman
Investments

Jim Mounts
Owner,
Smith & Mounts Realty, Inc.

James F. Patterson
Owner,
Uniglobe All Seasons Travel

Ben G. Sandefur
Chairman of the Board,
State First Financial Corporation

Joe G. Shelton, Jr., M.D.
Physician

J.H. Welch, Jr.
Insurance

Officers

Ray Bell
President

Jim Thomas
Senior Vice President

Kathy Adkison
Vice President

Cecilia Abney
Cashier

Debbie Pounds
Loan Administration Officer

Cecile Sams
Operations Officer

Lynn Sellers
Operations Officer

Brenda Sneed
Customer Service Officer

Annie Turner
Operations Officer

Condensed Financial Information*

First National Bank in Ashdown
(Dollars in Thousands)
(Unaudited)

	March 31, 1992	March 31, 1991
Condensed Balance Sheet		
Assets		
Cash and due from banks	\$ 2,610	1,857
Investment securities	14,719	10,181
Federal funds sold	600	5,200
Loans, net	32,731	31,912
Other assets	1,465	1,519
Total assets	\$ 52,125	50,669
Liabilities and Stockholders' Equity		
Deposits	\$ 46,492	45,511
Other liabilities	477	426
Total liabilities	46,969	45,937
Stockholders' equity	5,156	4,732
Total liabilities and stockholders' equity	\$ 52,125	50,669
Condensed Statements of Income		
Interest income	\$ 1,149	1,204
Interest expense	525	662
Net interest income	624	542
Provision for loan losses	91	85
Non-interest income	90	87
Non-interest expense	366	338
Income tax expense	52	51
Net income	\$ 205	155

*Balances have not been reduced for intercompany activity.

Atlanta National Bank Directors & Officers

Directors

W. Russell Alexander
President,
Alexander Funeral Home, Inc.

L.F. Allday, III
Realtor

L. Clary Anthony, Jr.
Division Manager,
Anthony Forest Products

Millard E. Aud
President & Chairman of the Board

J. Dan Nichols, Jr., M.D.
Physician

E. Stephen Oden*
Attorney

William M. Runnels
Engineer,
Texas Highway Department

Ben G. Sandefur
Chairman of the Board,
State First Financial Corporation

*Advisory Director

Officers

Millard E. Aud
President & Chairman of the Board

Glen M. Cason
Senior Vice President

Betty Loper
Senior Vice President & Cashier

Judy W. Lanier, CPA
Vice President & Controller

Robert D. Rouse
Vice President

Nelda Thomas
Vice President

Linda Whitley
Assistant Vice President

Freda Rice
Assistant Cashier

Jerry Adcock
Loan Administration Officer

Shelia Baugus
Loan Officer

Martha Glass
Operations Officer

Condensed Financial Information*

Atlanta National Bank
(Dollars in Thousands)
(Unaudited)

	March 31, 1992	March 31, 1991
Condensed Balance Sheets		
Assets		
Cash and due from banks	\$ 2,816	3,546
Investment securities	37,144	32,235
Federal funds sold	2,925	4,950
Loans, net	15,236	19,231
Other assets	4,128	3,903
Total assets	\$ 62,249	63,865
Liabilities and Stockholders' Equity		
Deposits	\$ 57,760	59,892
Other liabilities	301	385
Total liabilities	58,061	60,277
Stockholders' equity	4,188	3,588
Total liabilities and stockholders' equity	\$ 62,249	63,865
Condensed Statements of Income		
Interest income	\$ 1,143	1,227
Interest expense	619	795
Net interest income	524	432
Provision for loan losses	—	—
Non-interest income	89	90
Non-interest expense	428	442
Income tax expense	—	—
Net income (loss)	\$ 185	80

*Balances have not been reduced for intercompany activity.

State First Financial Corporation

300 Olive Street

Box 8000 State Line Plaza

Fayetteville, Arkansas 72702



State First Financial Corporation